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AMERICAN MANAGEMENT REVIEW

October, 1924

THE MEMBERS' FORUM

Do You Tell Employees Periodically Just How They Stand?

What percentage of salary increases do you give voluntarily and what percentage is asked for? How often does this happen: You send for a man to notify him that his services are unsatisfactory and that after a certain date you will not be able to keep him. He is greatly surprised; says only the week before he asked the head of his department how he was getting along and was told he was doing well—told that by the same man who had complained to you and requested the dismissal.

Almost every personnel manager will agree that periodic review is wise; but how many actually practice it strictly? In a large organization it takes a good deal of time to interview each person once or twice a year and always the personnel manager has more to do than he can properly handle. So the periodic review is usually put aside, like job analysis, for the hoped-for future time when things won't be coming so fast.

We procrastinated for two years. Then we decided it was up to us to find time. We scheduled every employee for review on a certain date each six months. The force numbers about a thousand. With one hundred and fifty working days each six months, we found we should have to interview only six or seven employees per day. Considering that we averaged fifty interviews per day for applicants, that wasn't so bad after all. We cut down the time of interviewing applicants a little and started in.

It was the best move we had ever made. We learned more about our people themselves, about their fellow-workers, about departmental conditions; got more good suggestions, and (seemingly at least) engendered more good will for the house than we had in any other single way. We decided that in advance we were going to investigate each person's work thoroughly, consult our efficiency records, interview department heads and consider future possibilities; then we were going to tell the employee the plain un-

varnished truth, no matter how unpleasant it might be to do so. If there were faults—and there usually are—we would discuss them and suggest corrective measures. And good qualities we would discuss just as fully.

The first thing we found was that the great majority of department heads were moral cowards—they didn't want to tell their people anything that might hurt their feelings. That is only natural: we admitted to ourselves that we didn't like the job either. But someone had to do it, and it wasn't up to the personnel department to evade the responsibility. To our surprise, however, we found far less disagreeableness than we anticipated. We found that most of our people honestly appreciated a frank discussion of even their faults. One of the early interviewees actually thanked us with tears in her eyes, said she had never in fifteen years of experience in business had anyone take enough interest in her to tell her her shortcomings. We found that the department managers were glad to have us tell their people "what they ought to know." We corrected many of our own judgments that were proved to be poorly founded.

We have held to the interviewing religiously for eight months now—let nothing interfere with it. We do not interview absolutely everyone every six months. For some of the oldtimers it would be a bit artificial. But we do try to speak to everyone at least once a year and the great majority every six months. New employees are scheduled for one month after employment, five months thereafter and subsequently each semi-anniversary of employment.

We added the department heads to our schedule to remind us that we should go to their department to see them and discuss their personnel problems informally. We drop in on about two department heads each week—casually. We think it makes them feel we are interested in them and really earnest about wanting them to tell us our mistakes.

Results? Labor turnover is about one-half of what it was the year before—the reduction probably at least partially due to the review policy. Very few people request salary increases—not one a week—and when they do we can look them in the eye and say: "On September tenth you will come up for your regular semi-annual review, and we shall be just as happy to give you an increase if your work warrants it as you will be to receive it;" and they know we are telling the truth. The personnel office is less and less considered by the force as a place to which you go with the question: "Now, what have I done?" (Incidentally, we recently exchanged the green carpet for a gray one.) Our training staff is better able to do individual follow-up training. We can make transfers and promotions more intelligently. We know our people better—and, what is more important, they know us better.

And we enjoy the job genuinely, and recommend it sincerely.

STANLEY ROTH, *Personnel Manager, L. S. Ayres & Company.*

Clerical Work at the Right Cost

We do not yet know the right cost for clerical work. We do know that the output of clerical work is susceptible to improvement. We shall not know the right cost for clerical work until we complete the technique of guidance and control, until the science of management is established and understood, and the art of management is mastered and generally applied.

We still have more to learn than we now know. We are ignorant of many facts that enter into the daily output of business. The most profitable field for finding the right cost for clerical work lies in the study of the daily routine. It is the hitherto unobserved everyday operations of larger numbers of average people that must be patiently studied, classified, and reduced to principles. This will lead to better guidance and control. A chaos of unregulated operations remains still to be modified. Modern management will undertake to find facts instead of ignoring or assuming them and will deduce from the facts found the proper method of operation. Thus many things will be measured, rearranged, and done differently.

For instance, it is found that with a frequently repeated operation it is not sufficient to command that it be done by such and such a time. The method of how it is to be done must be analysed, studied, devised, and taught in order to be sure that the work will be performed at nearly the right cost. Then again the right method—that is, one that gets things done at the right cost—will not be hit upon through brilliancy of personnel, nor achieved by elegance of equipment regardless of expense, but through the regulated performance of operations by trained average beings, equipped with suitable materials.

The present system of control and management is of course getting the work done; but often not in the best possible way, and not even in a good way according to known standards. We know more now about getting clerical work done at the right cost than we carry into action and in this we are no exception to the rest of humanity to whom science has revealed more truth than is practiced.

Many of the things that we know and have discovered have been so often repeated as to have become commonplace, but until they are generally applied and have become benefiting habits, they are worth repeating with emphasis. A platitude may still have a point.

We think that we have passed with some measure of success through the eras of system, personnel research, job analysis and synthesis, standardization and control. Still W. H. Leffingwell points out that whereas between 1910 and 1920 the general population in the United States has increased only 15 per cent and all gainful occupations, agriculture excluded, only 20 per cent, the number of clerical workers has nearly doubled. If we did not recall that we have really learned something of practical value which we are incorporating in our daily business, we might pessimistically consider all

the efforts of reducing clerical waste put forth by research students and business men in the past decade as socially ineffective.

The fact is, of course, that we are going ahead and are proceeding planfully to master the details that make up the units of operation. Gradually we shall find through scientific method a way to get clerical work done at the right cost.

R. C. NEUENDORFFER, *Secretary,*

The Guardian Life Insurance Company of America.

Common Sense Psychology in Management

For some years "Psychological Tests," "Intelligence Quota," "The Psychology of Handling Labor," etc., have been familiar terms in the Personnel field of Management especially among the more modern or the more willing-to-experiment industries. And most valuable and helpful has the work been, which is represented by these and similar terms. It has developed a new science and a new method in the field of labor. But many industries have not yet felt that they could employ a trained psychologist to advise them in their various departments such as Employment and Foreman Training. On the other hand some industries have gone quite deeply into the new field and a few of these have developed a tendency to fall back on psychology as the cure-all, an infallible gage and an alibi in case of trouble—to the sacrifice of good old-fashioned common sense. Before I go further I want to say that I am a staunch ally of psychology as applied to industry and I am convinced that future developments will be increasingly favorable to both management and the workers.

In an industry with which I am familiar, psychological tests were used as an aid in employing the girls for one of the factory departments. The results were very good but because of the construction of a new plant and cramped quarters the work had to be given up for a time. After nine months with no tests they found that they were still getting surprisingly good results from the girls employed. Judging from production and turnover records the results were as good as when they were using the tests. One young woman was handling all the employing of girls and I went to her to learn her secret. The secret of her success lay in a quiet, at ease, interview of at least 20 minutes with every likely candidate. She commented, "It is amazing how much you can learn of a girl's intelligence if you ask her one simple question, namely to describe to you the kind of a job she last had." She attempts to draw the girl out on points of previous experience and on personal characteristics and tastes so that the girl may be assigned to the type of job she prefers—an active girl for an active job, a quiet, placid girl for testing or inspecting. In short a 20 minute common sense talk with an applicant seemed to bring results equal to those with the tests.

Not only in the employment of workers but in the handling of them in the plant may common sense psychology be profitably employed. Let us take the question of transfers, frequently a sore point in the plant though a transfer plan should normally be a most valuable asset to any Personnel scheme. To a reasonable extent we consult the employee's personal preference on the matter of transfer. I say to a reasonable extent because there are ever some wandering spirits who are always on the look-out for new fields to dabble in but not to conquer, and these we discourage. Besides personal preference of course we consult the worker's physical attributes, his previous experience and his training. A point which we have found to be especially valuable is that any employee may request a transfer directly at the employment office without going to his foreman or supervisor. This makes it much more satisfactory to the employee as he is sure his request has reached its destination and will have whatever attention is feasible. In an organization where employees request transfers only through their Department Heads it often works hardships on the individuals. The Department Head may be not quite big enough to pass a request on if an employee is a good worker and one he does not want to lose. Or if an employee is only mediocre the Department Head may not pass on the request as he feels the man has not earned the right to a transfer. In the latter case the supervisor may not be far-sighted enough to realize that a poor carpenter may be a good gardener. The argument that this plan may break down department discipline or organization is not founded for the Department Head's O.K. must be obtained before a transfer is effected. We are constantly getting foremen's ratings on men in our departments. It is simple to get a rating on a man before letting the foreman know that there is the possibility of transfer. If the rating is good the foreman can usually be persuaded to let the man go to a better job. Two plus two makes four—a better job and a good man make a "go." If the rating is poor, but the man's experience is in line with the job offered on the transfer, the foreman in most cases can be convinced that the man will have a better chance of success on work with which he is familiar. Under this scheme we find that we have arrived at a happier state of mind of both employees and foremen.

These are very homely illustrations but they may serve to show why I make a plea for common-sense psychology. Everyone in Personnel work daily makes use of such common-sense practices but very often it is done unconsciously and because of this full value is not derived from the results. With a little mental ingenuity we may all, either in conjunction with a technical psychological department or with none, extend the use of this "common-sense psychology" and I am convinced will find it both interesting and profitable.

EDNA M. THOMPSON,

Personnel Supervisor, Du Pont Fibersilk Company.

THE MANAGEMENT INDEX

Abstracts and News Items

332. FINANCIAL MANAGEMENT

Interpreting the Weather Signs of Business

"No one thing would give a greater impetus to the study of the business cycle than to assure the business executive as to the reliability of business statistics and a certain amount of standardization as to the form of presentation." The business cycle is made up of two curves: the big economic swing, and the lesser human fluctuation. Through cooperation a community of business men can in time control the minor swing. Meanwhile the individual by observation of business in general can so control his own affairs that he can avoid being caught in the major swings of business. By Owen D. Young. *System*, Sept. 1924, p. 263:5.

Investigations Preliminary to Refinancing

An industrial engineering survey to be constructive must not only indicate and interpret strength and weakness, but also recommend improvements based on a broad knowledge of business in general.

A complete audit should supplement an engineering investigation. An analysis of this character is essential to the investment banker who is considering the refinancing of an industry. By W. Penn Lukens. *Management and Administration*, Sept. 1924, p. 271:4½.

The Annual Audit

To obtain the best results from auditing: (a) Audits should not be spasmodic, but should be regularly set at the close of each fiscal period. (b) They should include such comparative charts, percentages, etc., as will give a clear view of the trend of operations

and financial conditions. (c) In manufacturing and mercantile concerns the inventories should be verified. (d) The auditors of corporations should be elected by and be responsible to the stockholders. Business Leaflet No. 8. *Policyholders' Service Bureau: Metropolitan Life Insurance Co., N. Y.*

A Swatter of Economic Follies

As an interpreter of business conditions George E. Roberts occupies a unique position in this country. The reading which forms the background for his financial articles is guided principally by the instinct which he developed as a newspaper man. John Stuart Mill's "Principles of Political Economy" formed his taste for economics. Other publications which he reads regularly are: New York Times, New York Evening Post, Wall Street Journal, Journal of Commerce, Bradstreet's Weekly, Economist (London), London Times. Also such trade papers as are featuring developments of special interest. Mr. Roberts says that a good start toward a sound economic understanding of all things may be made by reading a standard book such as Tarvisig's or Carver's. "The Wealth and Income of the American People" by Walter R. Inghalls, an eminent engineer, contains a wealth of facts and a new book by Fabian Franklin, "Plain Folks on Economics" is in popular style. By Reuben A. Lewis, Jr. *American Bankers Association Journal*, Aug., 1924, p. 73:3.

Controlling the Labor

An attempt is made in this article to present the manner in which labor is controlled at the source through the medium

of executive control of employment and rate changes. Labor payment is controlled through proper records of services rendered, approved by the executive in immediate charge of the labor. The distribution records described are designed with the thought in mind of furnishing the executives responsible with proper control figures. By William O. Cutter. *National Association of Cost Accountants*, Aug. 15, 1924, 7 pp.

Elements of a Financial Investigation

An outline of the accounting and engineering requirements of a complete industrial survey, in which an attempt has been made to segregate clearly duties of the accountant and the engineer. Accounting requirements include: 1. an audit of the earnings of the business over a period of years; 2. a study of the management and organization of the general offices and sales branches; 3. is the necessity for financing caused by past inefficiency of management, or is it a justifiable provision for future expansion; 4. operating history; 5. a study of the administrative policy; 6. working capital requirements.

Industrial requirements include: 1. appraisal of plant and equipment; 2. facilities for manufacturing the product; 3. management and organization of the factory should be compared with an ideal form; 4. a study should be made of elements tending to benefit or handicap the business. By Ralph G. Davis. *Management and Administration*, Sept., 1924, p. 277:2.

Executive Uses of Costs

An answer to the question, "Now that you have the costs what are you going to do with them?" is offered in this article. Are the costs which you are preparing being properly used? Intelligent analysis of the records of all departments is stressed, and also valuable information given which works managers, sales managers, presidents, and boards of directors should be able to glean from cost accounting.

Costs, accounting and financial information should go to individuals who are answerable for the results and those people should receive information for which they alone are answerable. By Howard Berry. *National Association of Cost Accountants*, Sept. 2, 1924, 14 pp.

651. OFFICE MANAGEMENT

651.1 Space: Location, Equipment, Arrangement

When We Put the Office on Paper

A thorough analysis of methods enabled a metropolitan bank, when moving, to reduce their space by a whole floor. An organization chart was used by a large department store to instruct the employees in its training school. The preparation of such a chart sometimes clears up vague or undefined lines of authority. A floor plan drawn to scale will assist in simplifying operations. A consideration of the flow of work will often bring about rearrangements of space which save time. A study of some special feature of a particular business will occasionally be profitable. The centralization of stenographic work when feasible is economical. The same is true of files and records. Expansion can also

be effectively accomplished by using floor charts. By Warren D. Bruner. *Business*, Sept., 1924, p. 13:3½.

Tenants with Chair Space Have Cooperative Offices

Larger and larger deals in New York are being put over in smaller and smaller offices. The day has passed in New York when a man must have an expensive office in which to transact business. Many men in their forties with desk room are making their fifteen and twenty thousand a year. In many buildings there are large open rooms in which desks are arranged and rented separately to those who do not demand the privacy of four walls, or who

cannot afford it. A central switchboard gives "service" to every tenant on an equal basis, which is charged on his monthly

rental. This cooperative idea extended to every day business has worked out successfully. *N. Y. Times*, Aug. 31, 1924.

651.3 Organization: Job Analysis, Employment, Pay

Employee Specifications

Business men have been slow in seeing the necessity of setting up standards for their employees and of recording those standards in the form of specifications in much the same way as the definitions of materials have been made permanent. In addition to the employment manager and the instructor, the production manager is also vitally concerned with employee specifications. The value of careful definition of the qualities needed for a specific position is not limited in its application to the factory employees, it applies equally well to office workers and to department managers and to the executives themselves. Several illustrations are given to show how this idea can be applied to a wide variety of positions. By Paul M. Atkins. *Industrial Management*, Aug., 1924, p. 115:4.

Suggested Tests for Senior Clerk

A lack of tests suitable for the selection of general clerks who have had previous clerical experience, led to the discussion in detail of proper tests for the senior clerk. Two complete sets of tests have been prepared by the Bureau of Public Personnel Administration and appear in Appendices I and II. Others will be supplied free to personnel administrators upon application to the Bureau. By F. A. Moss and Fred Telford. *Public Personnel Studies*, Sept., 1924, p. 195:19.

Employment Terminology

As yet, neither the public nor the private employment group has developed a terminology that is generally accepted even with regard to the most fundamental ideas. Employment managers have now reached the point, however, where they feel the need for technical terms which may be used for a number of purposes. With this in view one hundred employment terms with definitions are tentatively advanced in this article by way of illustration. By Fred Telford. *Public Personnel Studies*, Aug., 1924, p. 151:16.

A Time Saving Wages Book

The system described has recently been introduced into the wages department of a large firm of iron and steel manufacturers, and has reduced the work of that department by approximately 25 per cent. The special feature of the book is sets of extension and detachable leaves which carry particulars of work done and the necessary calculations. The workers' names, numbers, occupations and rates of pay are on permanent leaves to which the extension leaves are temporarily fastened. After the payment of wages, the complete extension leaves are removed to a transfer binder and new ones substituted. Such leaves are illustrated in detail. By Frank Bradley. *Business Organization and Management*, Sept., 1924, p. 419:2.

651.447 Training and Education: Schools, Libraries, Employee Publications

Industrial Insurance: How It Serves and Whom It Serves

In the desire to render all possible service industrial insurance companies no longer confine themselves to the mere collecting of premiums and prompt payment

of claims. They have gone much further, by means of conducting health campaigns, in distributing instructive health literature, and in supplying visiting nurses to care for and instruct policyholders. By E. J. Traveler. *The Economic World*, Sept. 6, 1924, p. 346:1.

651.7 Correspondence and Reports: *Letters, Minutes, Notices***Who Uses Your Letterheads?**

Are your employees injecting your company into their personal affairs? The recipient of any correspondence carried on a letterhead bearing the name of an organization has a right to consider that message with the same respectful attitude that he would assume when receiving an official of that company. It is wise and fitting that every business house guard its stationery as it guards its good name—which its stationery carries. By Franklin Russell. *Printers' Ink*, Sept. 11, 1924, p. 109:2.

Decimal System in Subject Filing

An accurate description is given of one of the most important methods of record-keeping. The advantages and disadvantages of subject filing are discussed, and several paragraphs are devoted to the legitimate field of the subject file. A tentative list of subjects with a numbering system is offered by way of illustration. There are subjects in connection with every business which may be reduced to certain fundamentals or groups, whatever that business may be. By Craig Saxon. *The Canadian Manufacturer*, Aug., 1924, p. 23:2.

658. PRODUCTION MANAGEMENT

658.1 General: *Promotion, Finance, Organization***Modern Management and Its Influence on History**

From an address delivered before the Chicago Chapter of the Society of Industrial Engineers. There are some things which the average industrial concern cannot accomplish by itself, and watching trends in industries is one of these. In the past the professional industrial engineer and trade associations have served numerous associations in surveying the cost accounting requirements and helping them to provide a basis upon which an exchange of cost information can be accomplished, with valuable results. But much more can be done in cooperation with secretaries of trade associations to secure profitable results for their members.

Modern management must in the future also apply itself to finance, to such things as budgets, and must be properly coupled with accounting knowledge. By Frederick J. Knoepfel. *Industry*, Aug. 9, 1924, p. 1:2.

"Superpower"

A survey of the possibilities and economies of connecting up all main sources of power supply. Engineers and economists

are unanimous in the belief that the present system of creation and generation of power is so uneconomical that a radical change is to be anticipated within the next few years. *The Index*, Aug., 1924.

Before Prosperity Comes

While a careful scrutiny of plans and methods is always profitable in any type of manufacturing organization, it is a "business depression" that affords a particularly useful opportunity to devote time and energy to perfecting what has been followed as usual practice. Some pertinent questions that may be raised in this time of self-analysis are given, as for instance, 'Are wage schedules properly balanced and fair? Is the industrial worker rewarded according to his merit?' By Merrill R. Lott. *Brooklyn*, Aug. 23, 1924, p. 3:1.

Significant Savings in Textile Mill Operations

The cotton manufacturing industry has not given as intensive study to the possibilities of scientific management as some other industries. Tradition and old customs have played such an important part that the industry has been seriously handi-

capped. Some of the results of the substitution of scientific management for tradition in the Jackson Mills in Nashua, N. H.,

are here described. By Norman T. Thomas, *Bulletin of the Taylor Society*, Aug., 1924, p. 172:4½.

658.2 Plant: Location, Lighting, Heating, Ventilation.

Why Industries Leave the Big Cities

The big cities are actually losing industries to the suburbs and smaller cities. Labor unrest is one of the chief causes driving plants out. The high cost of living in our big cities has added to labor discontent. Past a certain population point, the cost of food, housing and amusement mount very high. Transportation and traffic problems become enormously difficult. Every manufacturer owes it to himself to look into the future, and determine where he ought to be five or ten years from now, whether in his present location or elsewhere, and make his plans accordingly. By John A. Piquet. *Industry Illustrated*, Sept., 1924, p. 14:5.

Economic Factors in Industrial Plant Location

A discussion of those elements having the most direct bearing on plant location, namely: market; materials; transportation; labor; civil enterprise; power, lighting and water; distribution cost. Decentralization of industry would lessen the burden of transportation. Modification of the basic freight rate structure would argue for locations in small cities, thus improving the living conditions of the workers. It is a social problem of great importance, must be viewed in this larger sense, and must rest for action on governmental agencies. By P. F. Walker. *Management and Administration*, Sept., 1924, p. 259:6.

658.3 Industrial Economics: Labor and Capital, Wage Theory, Legislation, Immigration

The Southern Industrial Labor Supply

The Piedmont section of the Carolinas draws its labor from agricultural and hill districts whose inhabitants are 98 per cent American, and have been in the locality for generations. Some mills have found it profitable to build villages with schools, and to contribute the salaries of Y. M. C. A. secretaries who preside over the social centers where dances and moving pictures are given. White labor is used except for cleaning and miscellaneous heavy work. Efforts on the part of the owner to make the work and living conditions attractive, and the workers' knowledge that many times the mill operates regardless of demand for its product in order that the operators may have the necessities of life, make union organizers extremely unpopular. The rapid expansion of the furniture and tobacco industries has created a demand for technically trained executives. By Ralph G. Macy. *Management and Administration*, Sept., 1924, p. 253:5.

Competitive Illusion as a Cause of Business Cycles

The point is made in this article that alternate gross exaggeration and gross understatement of the real consumers' demands are almost inherent in our unintegrated industry under competitive private initiative. However, abolishment of the competitive system is not advocated, as any alternative system may have as grave defects. Those facts are set forth which would naturally appeal to the reason as constituting the explanation of business cycles. Consumers' psychology, manifested in the form of resistance to the rising cost of living and a slowing-up of their demand near the end of a boom period, accentuates the effect of the superabundance with which the merchants' orders for goods are eventually filled, and materially assists in precipitating a crisis. By Thomas Warner Mitchell. *Quarterly Journal of Economics*, Aug., 1924, p. 631:21.

658.41 Employment: Classification, Selection, Tests, Turnover

Industrial Psychology

Psychological methods can be applied to any field of industry in which human beings are concerned either as producers or consumers, but the two subjects that have so far received most attention are fatigue study and vocational selection. Certain principles of arrangement and method of work can be applied to assist the worker to increase his output sometimes by as much as 50 per cent, with no increase of effort. The advantages of psychological tests in hiring workers have been demonstrated in many firms of high standing. By Winifred Spielman. *Welfare Work*, Sept., 1924, p. 180:1.

Employee Rules That Make New Employees Feel at Home

Montgomery Ward & Co. issue to each new employee a booklet, "Working with Ward's," which has two big purposes: to make the new employee feel at home and to explain necessary rules. Some of these rules are given in this article. The book closes with information concerning the routine of work, the way customers' orders are handled, etc. *Printers' Ink Monthly*, Sept., 1924, p. 130:1.

Attracting Desirable Employees

The Champion Coated Paper Co. of Hamilton, Ohio, is a particularly live example of an employer who knows how to use modern science and modern ideals to win and hold good labor. Men who are to judge color are tested for vision; men who will lift heavy loads are tested for heart and general fitness. As it costs the company \$2,000 to train a paper machine man, naturally the best is sought.

In a separate building there is maintained a "company store," which sells everything at cost. An accumulative bonus for continuous service is provided. Classrooms

are maintained for study in cooperation with the Ohio State University. By George Mansfield. *The Office Economist*, Sept., 1924.

The United States Steel Corporation and Industrial Stabilization

Comparison is made between fluctuations in the average number of workers employed each year by the Steel Corporation itself and the country's annual output of steel. This comparison is sufficient to indicate how far employment in the industry varies with changes in production. The smaller percentage of average annual variation in the case of the number of employees, as compared with the country's production of iron and steel, shows that oscillations in trade do not affect employment in this industry to the same extent that they affect output. By Abraham Berglund. *Quarterly Journal of Economics*, Aug., 1924, p. 631:24.

Why We Make Up the Pay-Roll in the Employment Office

Because of the low labor turnover the employment department of the Sperry Gyroscope Company was able to take over the compilation of the payroll from the cost department, thus releasing two employees. Full details of this economical system are given, including a description of equipment in use. By Merrill R. Lott. *Factory*, Sept., 1924, p. 338:2.

The Unemployment Problem

A study by a personnel manager. It is an interesting fact that in New York State unemployment because of labor disputes, etc., over a period of twelve years, is less than 1 per cent. Its extent, significance and suggested remedies, with some provisions of industrial firms are set forth. By Edgar D. Sebring. *Bulletin of the Taylor Society*, Aug., 1924, p. 177:8.

658.44 Employee Service: Hygiene, Recreation, Lunch Rooms, Stores

Selling the Safety Program

Safety programs have a personal touch in the case of the Westinghouse Electric and

Manufacturing Company, which is supplied by an unusually interesting set of questions drawn up for the safety meetings

of the company. The idea behind this method is to get action on the part of the listeners whether they be foremen or shopmen. Answers are also supplied so that a standard summing up of each point may be available. The speakers thus have a practical guide for their discussions. The questionnaire used is presented in this article. *Industrial Relations: Bloomfield's Labor Digest*, Aug. 30, 1924.

Preventive Work Reverses Fable; Workers Saved, Not Lost, by Mishap

At the Western Electric factory in Chicago there is a modern hospital complete in every respect to serve the forty thousand employees as a hospital may serve a city of that size. Preventive medical treatment is available, and to guard against accidents every effective safety device is employed. *Western Electric News*, Sept., 1924.

Defective Eyes among Industrial Workers

The Eye Sight Conservation Council of America has recently announced the results of a test carried out by the Buick Motor Company on the eyesight of its employees. In view of the great losses which result from defective vision of industrial employees, it is regrettable to learn that not

more than 150 companies in the United States employing upward of 1,000 persons consider it essential to test the eyes of applicants for employment. *Hygeia*, Sept., 1924, p. 589:½.

Our Two Laundries

Even a spectacle factory has laundries. It is here that the overalls of the lens makers of the American Optical Co. are laundered, and where oil and dust cloths are rescued for further use by being washed. In addition to this the laundry does the work for the homes of the firm. *Wellsworth Life*, Aug. 14, 1924.

The Company Will Assist Employees to Buy or Build Homes

The second mortgage is where the Home Owning Plan of the General Electric Company helps the employee. In order that the financial obligations assumed through the second mortgage may be met with the least amount of trouble by the employee, arrangements are made with the company whereby weekly deductions are authorized from the pay envelope. It is not intended to assist the employees in purchasing real estate for the purpose of investment, but is purely a means by which employees may become owners of their own homes. *Schenectady Works News*, Sept. 5, 1924.

658.447 Training and Education: Schools, Libraries, Apprenticeships, Employee Publications, Bulletin Boards.

Choosing and Developing Efficient Training Leaders

To answer the question "Who should be placed in charge of training foremen in the plant?" the experiences of many firms were studied, and the results of this investigation are outlined, giving the names of several companies and their directors of training. By J. K. Novins. *The Dodge Idea*, August, 1924, p. 12:2.

Courses for Labor Inspectors

Columbia University, New York, announces a course in the department of eco-

nomics during the coming year designed to give practical training to those who are planning to become labor inspectors either in New York State or elsewhere. The announcement states that it will also be valuable to industrial secretaries of various organizations and to social workers who wish to become more conversant with problems of industry. The following topics are to be included: Essentials of factory inspection; regulation of hours; inspection of mercantile establishments; regulation of home work; industrial hygiene. *Information Service*, Aug. 30, 1924.

Employees' Magazines Emerge from Their Post-War Slump

The employees' magazine has a serious purpose. It should owe its existence to a desire to interpret the policies of the management to the workers. This means not only promoting a family spirit, but also explaining to the employees such matters as simple business economics, and the reasons for certain sales and manufacturing policies. It is because this important point has been overlooked in editing plant papers that the death rate has been so high in the past. *Printers' Ink*, Aug. 28, 1924, p. 134:134.

Pay-Envelope House-Organ Builds Employee Good-Will

The International Ticket Company, of Newark, N. J., is issuing a little pay-envelope house-organ instead of a regular bulletin. "Pay-Day Chats" is a little two-page folder, printed on colored paper, which fits into the pay envelope. This little house-organ acts as a friendly link between the company heads and the employee, getting across the company aims and policy to the worker. *Printers' Ink Monthly*, Sept., 1924, p. 72:1/2.

Going to School in a Textile Mill

Training for executive positions in the industry is the plan adopted in a New England textile mill which cooperates with the state trade school and the high school in the town where the mill is located. In two elective courses the students divide their time between the academic high school

studies, technical classes in the school and shop work in the mill itself.

The young helper learns his trade under the direction of a skilled instructor in the mill. Boys of seventeen or eighteen years are preferred to train for this work. After an average of six months' training and two years' experience, they rank as skilled workmen. By Lewis W. Hine. *The Survey*, Sept. 1, 1924.

What Industry Expects of the Public School

A plea for the cooperation of industry with the public school system to further an understanding of the economics of business and its problems. The essentials of a practical curriculum are discussed. By E. H. Fish. *Management and Administration*, Sept., 1924, p. 257:1.

The Business Library an Educative Force

What the various insurance libraries have accomplished is here described. The largest collection of literature on fire insurance is that of the Insurance Library Association of Boston. This is one of the effective cooperative groups, serving about 500 individuals in the insurance field. Probably in no other field has the business library rendered such thorough-going service as in insurance. The various association libraries serve members—and sometimes the general public—generously. By Eleanor Gilbert. *The Office Economist*, Sept., 1924.

658.45 Benefit Systems and Incentives: Group Insurance, Pensions, Profit Sharing, Wage Plans, Suggestions, Vacations

Inaugurate an Employee Industrial Partnership Plan

The profit-sharing plan of T. S. Simms and Company, brush manufacturers, allows a fair return on their invested capital to those already holding shares, and distributes two-thirds of the rest of the executive staff and one-third to labor, as a stock dividend. The stock thus distributed will carry full voting powers after reaching a certain point, so that eventually the employees will

have complete control of the business. The directors of the Simms company have patterned their plan after the one in use at the Dennison Manufacturing Company. The return of 8 per cent to present stockholders is fully protected. The chairman and secretary of the Work's Council form a committee on operation for the employee industrial partnership plan. By J. H. Saunders. *Industrial Canada*, Sept., 1924, p. 87:2.

Hills Brothers Company Health and Welfare Activities

The Health and Welfare Department of Hills Brothers Company of Brooklyn, N. Y., which has been in operation about six years, maintains a dispensary and rest room. All cases coming to the dispensary are given first aid treatment by the nurse. The head foreman in each department receives a monthly report of the calls made at the dispensary by workers in his department. The company carries group life and accident insurance on all of its employees. After three months of service each employee is given a policy for five hundred dollars. At the end of each year of service this policy is increased one hundred dollars until the maximum of one thousand is reached. Although the Hills Brothers Company is a small plant, it is shown from the activities outlined that as good work can be done as in much larger companies. *The Nation's Health*, Aug., 1924, p. 553:1.

Building the Working Force Morale

The John B. Stetson Company has adopted three or four plans that are in the nature of profit-sharing plans, all based upon the merit system. The Bonus System, the Stetson Saving Fund, the Stetson Building and Loan Association, the Beneficial Association, and the Group Life Insurance Plan are described. The company is spending annually great sums of money in its welfare work, but it is considered simply an investment in good will, health, skill, and efficiency. *Industry*, Aug. 16, 1924, p. 1:1.

How we Secure the Employee's Interest in his Health

The mutual benefit association, successfully maintained by Fred T. Ley and Company, will be practical for any concern with fifty or more workers. Employees are grouped into three classes as to earnings. Those receiving less than \$1,200 a year pay twenty-five cents a week, those getting from \$1,200 to \$2,500 pay fifty cents a week, those over \$2,500 pay seventy-five cents a week. The first class gets a \$1,000 life

policy and \$10 a week health and accident; the second class, \$2,000 and \$20 a week; the third class \$3,000 and \$30 a week. They all get an annual physical examination. The employees pay half the cost of this service and the company the remainder, or about 1¼ per cent of the payroll. At the beginning the company donated \$1,000 to provide medical treatment for members financially unable to carry out the advice of examiners. Malingering is discouraged by the workers, whereas formerly it was thought rather smart to "put it over" on the company. By Fred T. Ley. *System*, Sept., 1924, p. 328:1.

A Little Help Fund for a Little Factory

It has sometimes been difficult to find a benefit scheme which will operate satisfactorily in a factory with comparatively few workers. A mill with three hundred and fifty employees has run a small sick and help fund for six years. Contributions are deducted from wages, each worker signifying whether or not she wishes to be a subscriber. A set of twelve simple rules maintains the plan successfully. A joint committee of men and women representing each department administer the fund. By R. M. *Welfare Work*, Sept., 1924, p. 182.

Our Plan to Help Workers Save

The Crompton and Knowles Loom Works have developed one of the simplest forms of savings plans, that of withholding from pay envelopes sums agreed on and depositing the amounts in local banks. The plan has been in effect five years and has stood the test in periods of business inflation and depression. In a plant of from 2,500 to 3,000 employees, from 60 to 80 per cent of the entire force is saving regularly. By John F. Tinsley. *The Nation's Business*, Sept., 1924, p. 56:1½.

"Pay Day, Pay Day, Maybe Get a Check on Pay Day"

For a number of years many of the largest and most progressive industrial organizations have been paying their employees by check. The system has proven successful from the viewpoint of the employee as

well as of the employer, and is now being adopted by a steadily growing list of big concerns.

Some few companies have even gone so far as to send the pay checks, by mail, directly to the wife of each married employee.

Many of the leading hotels of the country have turned to the check payment method and have found it practical. *Sand and Spray*, Aug. 29, 1924.

The Observing Employee

Some of the essentials of a good suggestion system are: 1. A clear and definite statement of the nature of the suggestions wanted. 2. Proper facilities for submitting

suggestions. 3. Provisions for keeping the name of the contributor anonymous until the suggestion has been disposed of. 4. An unbiased Suggestion Committee competent to pass upon the practicability and value of the suggestions offered. 5. A definite and adequate scale of awards to insure a sufficient incentive. 6. An explanation as to why a suggestion is rejected. 7. Active cooperation on the part of those in supervisory capacities in encouraging the employees to make suggestions. 8. Well planned follow-up publicity material to maintain interest in the system when once started. *Personnel Leaflets—No. 3. Policyholders' Service Bureau: Metropolitan Life Insurance Co., N. Y., Aug., 1924.*

658.46 Labor Relations: *Collective Bargaining, Arbitration, Employee Representation*

The Introduction and Development of the Works Committee in the Dennison Manufacturing Company

The essence of the work's committee idea is this: The employees in a single factory elect representatives to meet jointly with management representatives to discuss and act upon problems arising out of their employment relations. The introduction and development of the work's committee in the Dennison Manufacturing Company, from July 2, 1919, to January 1, 1921, are outlined in this article. The actual information and reports that were circulated at the time in the plant are reprinted in full or in part. By Franklin Meine. *The Journal of Personnel Research*, Aug.-Sept., 1924, p. 129:54.

Unions Essential in Any Co-operation Program

When mutual confidence has been created by the acceptance of labor organizations as essential parts of railway administration—not only to help establish just rules and practices, but also to assist in constructive efforts—when cooperation for public service has been established in the hope of mutually shared benefits, and when the

principle has been worked out in concrete detail on the job, the essentials of good morale and progress exist. By George Soule. *Railway Age*, Sept. 6, 1924, p. 411:2.

Human Relations in Industry

The interest in the problems of human relations in industry was never greater than this year. In general, all parties in industry seem to be more willing to know about the other side of the question, which in itself is a long step toward a better understanding. *Sixth Annual Industrial Conference, Silver Bay on Lake George*, Aug. 30, Sept. 2, 1923.

Employee Representation

The basic factors that should underlie every employee representation plan may be summed up as follows:

1. Sincerity of purpose on the part of management.
2. A mutual spirit of cooperation a necessity.
3. Plan of representation as simple as possible and easy to operate.
4. Employee representatives selected by and of their own number.
5. Employee representation not confined

to large plants—works equally well in small ones.

6. Length of service necessary for election as an employee representative.

7. Representatives usually elected by secret ballot.

8. Shop and plant committees for the consideration of issues before employees.

9. Employee representation improves the morale of the entire working force.

10. Labor turnover decreased.

11. Efficiency increased.

12. Working conditions improved.

13. Wages and living conditions bettered.

14. Intelligent leadership and education of employees along economic lines frequently results through employee representation. *Personnel Management, Assignment 28, LaSalle Extension University.*

An Experiment in Industrial Relations

A growing realization of the importance of stevedoring together with the necessity of maintaining industrial peace led the Waterfront Employers of Seattle and the longshoremen and dock workers in 1920 to adopt a plan of industrial relations which has proved sound in policy. The plan is that of "Joint Organization Through Employee Representation." Today there is equal sharing in control. One of the policies settled by the men was the elimination of the surplus men. The companion principle of "equalized earnings" challenged the

Joint Organization to cooperative effort, resulting in a plan called the "Gang System." By F. P. Foisie. *Connecticut Industry*, Sept., 1924, p. 5:4.

Industrial Psychology

If the behavior of men in industrial relations be the result of stimuli received elsewhere than in office and factory, as certain illustrations presented seem to prove, then industrial psychology must have a new and larger meaning. It must embrace in its scope consideration of the influence of stimuli outside industry on industrial behavior, and of stimuli within industry on behavior in wider social relations. By H. S. Person. *Bulletin of the Taylor Society*, Aug., 1924, p. 163:8½.

When 2,000,000 Men Pull Together

The important first step in building a co-operating industrial organization is clear knowledge among its members of what work is to be done and of the essential facts regarding that work. For this reason budgeting is placed first in the cooperative program. Next, to promote active cooperation, a railroad should have a personnel department. As a final element of a program of cooperation, there should be identification of interest between the railway as an employer and the employee in the welfare of the business. By Henry Bruère. Reprint. *Railway Age*, June 28, 1924.

658.51 Planning: Job Analysis, Standardization, Routing

How We Get Twelve Turns a Year

The president of the Nash Motors Company discusses the importance of a quick turnover of raw materials. Ordinarily the company does not have on hand more than a full month's supply of materials. Pictures are shown of materials handling machinery used in this factory. The author believes that the ideal to be approached is a continuous stream of materials reaching the factory as needed. He is in a position to take advantage of bargain offers from those who want to unload large

quantities in a hurry, for cash, but prefers to practice straight manufacturing rather than speculation. By C. W. Nash. *Factory*, Sept., 1924, p. 329:3.

Our Nine Gains from "Planned Production"

The superintendent of the planning department of the Eli Lilly Company claims many advantages from uniform production and tells how he accomplishes it. An important phase of planning is the selection of what should be worked next. Five

schedule boards are indispensable in planning their work. Another important factor which has facilitated the work is the planning office layout which allows the quick dispatch of schedules and memos. The system has reduced time for jobs going through the factory 45 per cent; it has helped materially in bringing about a 39 per cent increase in efficiency; it has improved service on orders short approximately 54.3 per cent; it has reduced the stock account 20.5 per cent. Three essentials of production planning are: 1. Thorough study and preparation; 2. complete control of all factors influencing production; 3. unremitting attention, as if neglected it will lose its effectiveness. By George A. Meihaus. *Factory*, Sept., 1924, p. 343:3.

Management in the Clothing Industry

The discovery of fixed standards in the manufacture of uniforms for Civil War soldiers gave the ready-made garment industry its real start. The industry is known for its agreements between manufacturers' associations and unions, which situation is aggravated by seasonal and fluctuating production. Simplification and standardization of product and intensifying sales effort will help solve this problem. Standardization of equipment, inspection, and control of material will assist in regulating production. A report prepared by the Thompson and Lichtner Company is presented as a summary of the essential features of the development of management in small plants. Six charts illustrate scientific methods in practice. By Sanford

E. Thompson and Willard E. Freeland. *Management and Administration*, Sept., 1924, p. 289:6.

Steady Work and Simplified Product

Various trade associations are at work on the problem of simplified product. The movement has only begun and has not thus far affected a large number of style and seasonal industries. The limit to standardization is set of course by changes in standards, by comfort requirements, and by the buying public's liberality of purse. But even so, considerations of efficiency, economy, and stable employment justify strong support of the simplification drive. *Industrial Relations: Bloomfield's Labor Digest*, Aug. 30, 1924.

Planning that Gains Economies in Time and Motion

The rearrangement of departments in the *New York Tribune's* new building, and the introduction of time and motion-saving devices have reduced production costs and released the paper in eight minutes less than before. A straight line and uninterrupted flow of production was established and such facilities as acoustically absorbent felt ceilings for the composing room were added. The press room, reel room and paper and ink storage rooms are built as one unit and kept at a uniform temperature to obviate tearing of paper and gumming of ink. Ordinary delays have been reduced 80 per cent. By Samuel P. Weston. *System*, Sept., 1924, p. 352:1.

658.54 Rate Setting: Operation Study, Time Study, Motion Study

Applications on Motion Study

A preceding article describes therbligs as the subdivisions of cycles of motions in a classification of the elements of work. The wheel of motion, composed of therbligs distinguished by different colors, has been found useful in explaining therblig study to workers. An understanding of each therblig and all possible happenings on the simultaneous motion cycle chart is necessary in finding the one best way to do work.

The symbols shown on the wheel furnish a sort of shorthand for making notes on sequences of therbligs and motion study in general. The distinction between time study and motion study is emphasized. A knowledge of therbligs will shorten the learning period for the beginner and will make possible unlimited improvements in method for the skilled worker, thus obviating monotony. By Frank B. Gilbreth and L. M. Gilbreth. *Management and Administration*, Sept., 1924, p. 295:3.

658.56 Shop Organization: *Methods, Salvage, Waste, Job Assignments.***How to Find Out if Labor Saving Equipment Will Pay**

The materials handling division of the American Society of Engineers has prepared formulas for computing the economies of labor-saving equipment. While the formulas have been devised for the use of the materials handling division, it is felt, however, that the fundamental economics as set up in mathematical form are applicable to most cases in which a difference in labor is obtained by the new method as compared with the old. *Belting, Transmission, Tools and Supplies*, Aug., 1924, p. 30:2½.

Wiping Towels

Pieces of cloth 18 inches square, used in most of the departments about the works of the General Electric Company and commercially known as "Wiping Towels," are gradually replacing cotton waste in many industries. They are convenient to use and sanitary, having many advantages not possessed by waste. At the present rate about 800,000 new and reclaimed wiping towels are distributed per year to the various departments. *Schenectady Works News*, Aug. 15, 1924.

658.6 BUYING, RECEIVING, STORING, SHIPPING :

How Purchasing Agents Get Facts

Showing how they gather all the particulars regarding materials or articles before placing an order, based on an interview with W. K. McGuffie, Purchasing Agent of the Sheet Metal Products Co. of Canada, Limited. A suggested program of handling the purchase of a certain line of equipment is outlined. By Colin Malone. *The Canadian Manufacturer*, Aug., 1924, p. 26:2.

Association Checks Up On Buyers' Misrepresentations

The Associated Dress Industries of America investigates cases in which buyers betray their trusts. In a statement issued recently two instances are quoted where buyers were causing their stores to fall into disrepute with the wholesale market. In investigating such incidents, and correcting the condition, lies one of the benefits the association confers on industry. *The Pennsylvania Register*, Aug. 27, 1924.

Mass Buying and Mass Selling, Too

The spread between production cost and what the consumer pays has widened, whereas it should have become narrower. However, it can be narrowed and mass distribution is one of the ways of doing it.

The chain store idea can be so developed as to include chains of department stores. Out of such an organization should come true mass buying. When we get this, the concentration of a single manufacturer's business in just a few very large retail organizations, and on standardized goods, will enable the manufacturer to make only what the retailer wants made, will agree to buy and has scientifically determined that he can resell to his customers. By Edward A. Filene. *The Nation's Business*, Sept., 1924, p. 24:2½.

Association Urges Buying by Budget for Garment Jobbers

The Merchants' Ladies' Garment Association has suggested as a solution of the problems of the jobbers the systematic budgeting of purchases of all raw materials and labor. The budgeting of purchases by the retailer has developed a deterrent element in the wholesale distributing branch of the industry, in that it has forced upon the jobber the necessity of carrying large stocks of made-up garments to meet the retailers' demands. The answer lies in a systematic budgeting of all purchases. Modern business is figured so closely that a budgeting system becomes an absolute necessity. *The Pennsylvania Register*, Sept. 9, 1924.

658.8 SALES MANAGEMENT

658.81 Organization of Department: *Employment, Analysis, Salaries***Watching the Mark-Down**

From the viewpoint of merchandise control obtained by owner and buyer, the retail inventory method has important advantages. When the buyer is activated by constant and consistent inventory testing in its relation to average mark-up, he will be in a better position to organize his department and its personnel to produce more sales with less trading, and to increase turnover and department profits with a decreased inventory investment. By C. B. Bidwell. *The Red Barrel*, Aug. 15, 1924.

Corporations Invade Retail Selling Trade

Million-dollar concerns, doing nationwide business, are supplanting corner and neighborhood shops. The Department of Commerce at Washington publishes figures which show the growth from year to year of the main groups of distributors. They

show that the chain stores have increased faster than the department stores, and that both have gone ahead of the mail-order houses. It is believed that the department stores must consolidate to function most effectively. By Evans Clark. *N. Y. Times*, Sept. 7, 1924.

The Expenses of a Traveling Sales Executive

He must be allowed to spend more money than a regular salesman for the very reason that he travels in a different way. He has to make long jumps. As he must see many people every day it is necessary that he use taxicabs to keep his appointments. It has been found, however, that nearly all houses are careful that their sales executives do not give a bad example to the salesmen by being too extravagant. *Printers' Ink Monthly*, Sept., 1924, p. 136:3/4.

658.82 Sales Promotion: *Letters, House Organs, Advertising***What Is the Life of Your Sales Literature?**

The Autocar Company binds all its sales literature in volumes and thus gives its salesmen a complete file of valuable arguments. These volumes are of course too large to be carried about in brief cases; they are used by the salesmen as a book of reference at his desk, and if there is any article which is especially adapted to the case in hand he is able to obtain a loose copy from the advertising files. By Robert F. Wood. *Printers' Ink Monthly*, Sept., 1924, p. 86:1.

The Underlying Trend

An interpretation of the underlying trend with special reference to the automotive industry. The surfacing of roads will not only increase the sale of automotive vehicles but will also affect the whole standard of

living. By A. W. Shaw. *System*, Sept., 1924, p. 237:4.

Unselfish Booklets That Close Gap Between Advertiser and Prospect

Advertisers are realizing that proper use is the real answer to good service. By giving prospects the right background, such as is found in many manufacturers' booklets, they are assuring themselves that their products will be used properly. A number of booklets put out by various firms are mentioned and described. These afford a vast amount of real help to the prospect. By C. B. Larrabee. *Printers' Ink Monthly*, Sept., 1924, p. 21:3 1/2.

A Basic Formula for the Small House Organ

"Tabloid" house organs, some of them with no more than four pages, have proven

their worth. If advertisers realized at what small cost a house organ can be used, more would use this form of advertising for reaching lists of prospects which cannot be reached through any medium having efficient enough circulation. Salisch Shop, Denver, reaches 5,000 at a fraction less than four cents each a month, including all expenses from editorial preparation through to mailing. A house organ can have a definite selling plan, and how to it, though it contain but four pages. By John T. Bartlett. *Western Advertising*, Sept., 1924, p. 36:1.

How You Can Use a History in Your Business

It appears to be an accomplished fact that the company history already has taken a recognized position in advertising literature. Any company with an inspiring past that has been recorded by some method has at its command invaluable material for advertising, to say nothing of the use to which such material can be put in setting precedents and pointing out the course of future action. By John Allen Murphy. *Printers' Ink Monthly*, Sept., 1924, p. 27:2¼.

First World Conference of Sales Managers

The program arranged jointly in London by the Incorporated Sales Managers' Association and the Sales Managers' Division of the American Management Association, by the very subjects listed, is indicative of the common problems met in selling, no matter where the market. When the apologies were passed because "my business is different" it soon developed in discussion that the greatest difference was in the use of British and American expressions for one and the same plan and its solution. The program included such subjects as: "Strength and Weakness of Sales Managers," "Sales Administration," "Making the Retailer a Better Distributor," "Correlating Sales, Production and Finance Through Budgetary Control," "Relation of Sales Administration to Factory Administration," "Guiding Principles in Training

Salesmen," "Vision in Sales Management," "Salesmen's Remuneration" and the "Preparation and Proper Use of the Sales Manual." By C. K. Woodbridge. *Associated Advertising*, Aug.-Sept., 1924, p. 31.

Premium Plan Increases Sales Five Hundred Percent

A cotton bag filled with eight marbles in the hip pocket of each suit of boys' overalls increased the sales of the Fort Smith Garment Company 500 per cent. and added hundreds of boys to the sales force. By Lee R. Fleming. *Sales Management*, Sept., 1924, p. 1502:1.

When the Federal Trade Commission Says You Must Sell

Apparently comparatively few manufacturers and distributors realize that under certain circumstances a formal complaint issued by the Commission, followed by an order to cease and desist, may indirectly compel the respondent to sell certain individual concerns or classes of trade. Unfortunately, the now celebrated Mennen case and, more recently, the National Biscuit Company case have served to confirm the general opinion that the Commission has no jurisdiction over the selection of customers by a manufacturer or distributor; but several other cases which have received little publicity indicate that the Commission has considerable authority in this direction, and that its authority must be further strengthened by court decisions if certain acts of Congress are to be upheld. If you act as a free and independent agent, you may refuse to sell any individual or class of dealers for any reason, or no reason, and charge what you like; but if you agree or combine with others in your refusal, it is likely that the commission's cease and desist order against the agreement in restraint of trade will require you to sell those you have combined against as the only satisfactory evidence that you have carried out the Commission's order. *Printer's Ink*, Sept. 25, 1924, p. 57:4.

658.85 Benefit Systems and Incentives: Bonus Plans, Vacations

Bonuses

An unusual bonus plan which was said to work out to big advantage to the concern that adopted it is this: During the summer months, clerks were given credit for a unit of one hour off from working hours for a certain volume of sales in excess of a regular quota. This time credit was accumulative and could be taken at the option of the clerk who earned it.

In addition to this time-bonus, five additional prizes were offered: 1. To the clerks selling the greatest number of new customers; 2. the clerk selling the largest

amount of discontinued numbers; 3. the clerk selling the largest amount of nationally-advertised products; 4. the clerk selling the greatest amount of out-of-town business; the clerk turning in best line of prospects.

In another store, employing ten sales people, each put five dollars into a common fund and the firm added \$150, making a prize fund of \$200. This was divided into three prizes—\$100, \$75, and \$25—awarded to the three individuals showing the largest amount of sales. *Kaynee Loop*, Aug., 1924.

658.86 Salesmen: Selection, Training, Compensation

How One Firm Picks Its Go-Getters

When you hire a salesman, are you sure he will be a producer or must you wait for time and sales to justify your judgment? The Phoenix Mutual Life Insurance Company applies the law of averages to every applicant and finds out, among other things, the following; 1. What is the age of the man seeking employment? If he is between 33 and 38, his chances for success are best. 2. Is he married? If so, he gets the call over the bachelor. 3. How many children has he? As many as five are regarded as an incentive; any more are rated a handicap. 4. How many years of selling experience has he had? The man with six is preferable to one with three or twelve. 5. Is he a "joiner?" Membership in organizations is a point in his favor. 6. Is he a home owner? If he is, he has the advantage over the renter applying for the same position. 7. Has he investments in stocks and bonds? The man who saves, no matter how little, is regarded as a far more desirable prospect than he who spends all he earns. By Winslow Russell. *The Nation's Business*, Sept., 1924, p. 31:2.

The Company Library That Pulls Whole Organization Together

The W. T. Grant Company, comprising fifty-eight department stores, maintains a

library for the executives and salespeople in all its branches, which serves as a connecting link between the New York executive offices and the store employees. This library service is conducted by mail from the home offices on West Twenty-Third Street in New York.

In the Newark, N. J., store a regular system of reading was followed last year under the direction of the company librarian. She found that the Business Branch of the Newark Public Library could supply all the books and periodicals she had recommended, and these were loaned to the men on a company card. The eight men interested formed themselves into a study group, and met one night a week at the store.

The company library helps the men in two ways: first, to a better knowledge of merchandising and second, to a broader conception of business and a wider outlook. By George W. Gray. *Printers' Ink Monthly*, Sept., 1924, p. 65:2½.

Three Hundred Percent Increase in Sales in Twenty Months

By training a corps of salesmen, Coppes Brothers & Zook, kitchen cabinet manufacturers, were able to carry out a selling plan which increased their sales 300 per cent. in 20 months, educated their dealers and increased the good-will of the firm many

fold. They exploded the old theory that it is necessary to accept conditions as they are—but found that conditions could be made to suit the dealer. By F. S. Fenton, Jr. *Sales Management*, Sept., 1924, p. 1459:2.

Individual Treatment as Applied to Salesmen

The policy of Johnson & Johnson, Inc., is briefly this: Every salesman is treated as an individual entity, and to a great extent is the director and manager of his own territory.

He is not overburdened by requests from the home office to prepare a multitude of reports.

He is accepted on honor, and faith in him is never shaken until proved otherwise.

The business accomplished by him is submitted to him for his eyes only, and not to his co-workers.

He is adequately paid, and is the recipient of considerate treatment; he needs encouragement when despondent and is entitled to praise when he deserves it. By Frank R. Jones. *Printers' Ink Monthly*, Sept., 1924, p. 19:2.

Why We Hire Young Men—and How We Train Them

Curtis Lighting, Inc., needed more men who were familiar with the business as a whole—men who were more than just lighting engineers. To fill this need they are training ten university graduates by a series of one hundred lectures, and fifty weeks actual work in the various departments—five weeks in each of the ten departments. The lectures are delivered by the various department heads and officers of the company. The plan is said to be self supporting due to the work performed by the men in training and the improvement it brings about in the business. By Norman B. Hickox. *Sales Management*, Sept., 1924, p. 1447:2.

Developments in Scientific Methods for Selecting Salesmen

How salesmen may be selected with some degree of certainty that they will be suc-

cessful. The results obtained in several large organizations indicate that scientific methods may be used in the development of an effective sales organization. The first of a series of three articles. By H. G. Kenagy. *Sales Management*, Sept., 1924, p. 1453:3.

658.89 Salesmanship

How We Develop "The One Best Sales Argument"

The sales policy of the Hoover Company is expressed as: 1. Manufacturing the product to meet the market; 2. Helping the distributors to sell; 3. Seeing that the purchaser buys, in addition to the machine itself, a real and satisfactory service from the machine, and 4. Keeping the sales and service always thoroughly alive and up to the mark. Mr. Hoover describes a novel convention for their managers and salesmen held in a tent city, so as to be near the factory. By H. W. Hoover. *System*, Sept., 1924, p. 274:4.

More About That Bugaboo—Saturation

With each new generation multiplying its wants there is no danger of saturation, except in those cases where an improved product succeeds an old type. Consumption cannot catch up with production as long as the world's population continues to increase, and as 110,000,000 persons go into the market with an entirely new want list every twelve months, saturation will always remain a will-o'-the-wisp. By John Allen Murphy. *Printers' Ink*, Aug. 7, 1924, p. 17:4.

Sales Arguments That Help Get Christmas Trade

If well-considered plans are made now there is a good chance to run 1924 sales volume above that of 1923. Some of the main points to be considered in trying to build up Christmas business are these: 1. Extra Christmas business will enable the salesman to make or better the quota set for him at the beginning of the year. 2. It will also enable the dealer to have cleaner shelves at the beginning of the year as

well as a more profitable December. 3. Actually there are very few articles which cannot be given at Christmas. 4. The dealer should be reminded of the immense amount of money spent locally for Christmas gifts. 5. The salesman should be prepared to show the dealer how to dress up his store so that it will have a holiday appearance. *Printers' Ink*, Aug. 7, 1924, p. 3:4.

Where Is the Wallop of Yesteryear?

Oratory and desk-thumping are on the wane while the fact-equipped salesman wins. Knowledge of how to buy has developed alongside the knowledge of how to sell, and although the literature of buying is infinitesimal compared with the literature of selling, it constitutes an important factor. Another point is that quantity selling, like quantity production, permits less initiative to be exercised and reduces the importance of the personal equation. By Bertram R. Brooker. *Printers' Ink Monthly*, Sept., 1924, p. 38:2½.

Managing the Motorized Sales Force

The United States Gypsum Company six years ago determined upon a policy of motorization of its sales force by purchasing the cars outright and paying entirely for their maintenance and operation. This has resulted in the average number of towns per day per man being nearly doubled, and in the fact that the sales results per call have increased in an even greater proportion than the number of calls. The total cost per mile (average of fleet) is \$.0842, which of course compares unfavorably with the expense of railroad mileage, but the increased cost is more than justified by the increase in results. By E. W. Dunham. *Printers' Ink Monthly*, Sept., 1924, p. 35:2½.

What Are We Going To Do About Guarantee Abuses?

A simple method of reducing losses due to guarantee abuses is to back up the dealer when he refuses to make an exchange or give free repairs for legitimate

reasons. Another method is to refrain from making extravagant claims in advertising copy. Still another, is to educate salesmen so that they will not oversell the durability of a product to dealers. A practical solution is to insist that all exchanges, or repairs be sent direct to the factory by the consumer instead of through the dealer. By E. B. Weiss. *Printers' Ink*, Aug. 28, 1924, p. 3:4.

Marketing Conditions in Canada Affecting American Advertisers

The second of two articles on this subject, the first of which presented a statistical survey of the retail market of Canada from the standpoint of population distribution, numerical grouping of stores in lines of industry, and factors bearing on successful store operation. The present article offers an intimate picture of the Canadian merchant as he is seen by the sales executives of some of the large concerns doing business on both sides of the line. The investigation covered a diversity of lines of business, including groceries, drugs, dry goods, paint, automobile accessories, chain stores and department stores. By Bertram R. Brooker. *Printers' Ink*, Aug. 14, 1924, p. 129:5.

Helping the Dealer Set His Monthly Quota

The Dayton Rubber Manufacturing Company shows a way that may be adapted by other manufacturers. A chart is described which gives each retailer a definite mark to reach each month, based on the experiences of other dealers. *Printers' Ink*, Sept. 11, 1924, p. 49:1¾.

Big Outlet Offered Advertisers By Diversification of Retail Stocks

Where is there a store that cannot go beyond its present sales volume with its expense outlay remaining the same? To get this "just a little more" profit the retailer must have plenty of things to sell. Hence, we have today the grocery store plus, the drug store plus, etc. This analysis of retail store branching out potentialities is meant to show how the dealer can add to his stock by a process of logical growth

and development rather than by the arbitrary addition of side-lines. By G. A. Nichols. *Printers' Ink*, Sept. 4, 1924, p. 3:6.

Have Manufacturers Gone Too Far in Giving Service?

This is a warning to manufacturers who are letting service costs mount higher and higher. The problem is discussed as to whether or not a proposed service is justified or whether it is rendered simply as a gratuity in trade promotion or competition. If the latter, a firm stand should be taken against it, lest it become an element of waste. By E. W. McCullough. *Printer's Ink*, Sept. 11, 1924, p. 69:2½.

Effective Quota Plans of Three Hundred Notably Successful Concerns

In this report emphasis has been placed on the methods that have been used to make the adjustment between data brought to light from past sales records, and facts revealed by an impersonal market analysis. It is further emphasized that the setting of quotas for salesmen and territory valuation are not one and the same operation. Special Report No. 180. *The Dartnell Corporation*, Chicago.

What Happened to Private Brands When the Slump Came

Merchants are prone to overestimate the value of their establishment and its private brand. The author outlines what happened to private brands when the business depression came. Nationally advertised goods were kept moving when private brands could be moved only through bargain sales. By Roy B. Simpson. *Sales Management*, Sept., 1924, p. 1512:2.

Why Our Business Didn't Suffer When We Discontinued Our Guarantee

The guarantee of the Holeproof Hosiery Company had become a severe drain on the business, but dealers objected to any plan whereby it might be discontinued. The president of the company accomplished this without the loss of an account. He tells how this radical change in their merchandising policy was effected. By Edward

Freschl. *Sales Management*, Sept., 1924, p. 1455:2¾.

Why Hotel Check Rooms Are Jammed With Sample Cases

Buyers dislike to buy a "pig in a poke." They want to see samples, and the salesman who devises new and unusual methods of demonstrating his line, finds it a profitable sales help. Plans for getting salesmen to carry samples are discussed. By Will G. Caldwell. *Sales Management*, Sept., 1924, p. 1467:2.

What To Do Before You Approach the Industrial Market

Sales campaigns often fail because the seller's knowledge of the market is incomplete. A few days or weeks of research may save thousands of dollars of sales expense. By Member Dartnell Editorial Staff. *Sales Management*, Sept., 1924, p. 1463:1¾.

Control Methods for Operating and Routing Salesmen

The practice of seventeen representative firms is included in this report and samples of forms used are illustrated. Many mechanical methods for preventing waste in sales effort are described and various systems for territorial control are outlined. Report No. 178, *Dartnell Corporation*.

Classification of Accounts

The most important problem in the field of banking is the development of selling methods that will at least compare favorably with the sales methods of other fields. Banks have a "selling game" just as do merchandisers. To do good selling, an understanding of the principles of sales work must be had. The simplest and quickest way to find new buyers of bank services is to make an analysis of the business which has already been procured from present buyers. Classifications of customers of the different departments are given in order to show how the responsive fields will be separated from the unresponsive. By Robert Minton. *Coast Banker*, Aug., 1924, p. 355:1½.

Survey of Books for Executives

Representative Government in Industry.

By James Myers. George H. Doran Company, New York, 1924. 244 pages. \$2.00.

The value of Mr. Myers' book is to be found mainly in the three chapters in which he discusses the functioning of works councils in actual operation. In the last year or two there has been a growing inclination to study technic and methods in connection with employee representation, since the abstract principle has met with such wide acceptance that it is no longer a subject fruitful of much controversy. Concrete facts, and the records of actual operation, are in demand. Mr. Myers helps to meet this demand by furnishing a considerable amount of laboratory material, drawn from minutes of conference and committee meetings and from his own experience as executive secretary of the board of operatives at the Dutchess Bleachery, Inc. The somewhat unusual plan of workers' representation at the Dutchess factory has from time to time received wide publicity, and this latest addition to the available data on its actual operation will be welcomed.

Mr. Myers' treatise becomes distinctly less impressive when he turns from concrete facts to abstract principles. Much of the book is devoted to the presentation of a philosophy on labor and industry and economics which has scant chance of being accepted by the substantial majority of the American people. For the system of industrial control through private ownership which has endured in Anglo-Saxon countries for several centuries he has few words of praise.

"Capitalism," he admits, "is to be credited with a distinct advance in the status of the workers and in their relation to the employer group. The status of the wage-earner is above the status of the serf or slave." But he follows this grudging concession with much argument against the "principle of autocracy" which he believes is "naturally inherent in the relation of a

master to his servant." This argument is supported by such statements as the following:

"The autocracy of modern capitalism may be viewed in full flower in the isolated industrial communities even of democratic America, particularly in textile and mining centers, where even the political and civic rights of the worker are practically taken away from him by the control of the company over the social and political institutions, as well as over the industrial life of the community. In such industrial towns all of a man's life is managed by the company. When a man is sick, he is attended by the company doctor or sent to the company hospital. His wife is compelled by the company or by the absence of other stores to purchase not only food and clothing, but all necessary supplies from cradles to coffins in the company store at prices set by the company.

* * * The worker's children attend a company school, whose teacher is appointed or approved by the company. If the worker has time or strength left to read, he can get books only from the company library, where he does not ordinarily find any very dangerously radical literature! If the worker is religiously inclined, he attends the company church and subjects his mind and conscience to the molding influence of a preacher whose ideas of the Eternal God and of weak and sinful man, his duty and his destiny—have met with the approval of the general manager of the company!"

While Mr. Myers approves employee representation—particularly if in its organization and its operation it meets certain requirements which he lists as desirable—he evidently looks upon it as only one step in the direction of the "industrial democracy" (where have we heard that term before?) which he believes is on the way. As to the particular variety of democracy which he forecasts and advocates, the book is somewhat obscure. Apparently, however, the author has in mind a régime in

which the workers shall share in actual management. Also he favors the organization of whole industries in councils in which labor, capital and consumers have representation. Mr. Myers calls upon the owners of industry to take the lead in bringing about the democratization of industry, in order that sudden and violent over-turn of the present system may be averted.

E. S. COWDRICK.

The Business of Railway Transportation. By Lewis H. Haney, Ph.D. The Ronald Press Company, New York, 1924, 613 pages. \$4.00.

Dr. Haney's treatise is frankly a text book for students. But it is so well planned, so comprehensive and so sane that it will appeal to the general reader and prove useful for reference.

The book is divided into five sections, of which the first gives a general description and analysis of railway transportation. This section affords an excellent foundation for the chapters which follow on operation and traffic, and the two comprehensive sections on rates and rate-making.

In some final chapters dealing with regulation and broader aspects of the railroad problem, Dr. Haney presents his views on such subjects as government ownership, regulation and consolidation. It is fortunate, indeed, that combined with sound teaching on the detail and technique of railroading, students who use this book will at the same time absorb enlightened views of the semi-political aspects of the railroad business. On the subject of public ownership the author says:

"If we want the railroads operated efficiently, supplying us with transportation at the lowest cost, we must allow their policies in the largest possible measure to be determined by business considerations. This would be true under government operation. But if the construction and operation of railway systems were determined by votes and political considerations, experience in the United States shows that we might expect to see the influence

of log rolling and the pork barrel. Railways would be built where votes would be gained and taxpayers would foot the bills."

After a review of the growth of the policy of the regulation, Dr. Haney says:

"We have tried leaving the railways in the hands of private operators, subjecting them to a minimum amount of regulation. We have gone further and introduced an increasing amount of regulation, to such an extent that it is doubtful if sufficient initiative remains with the private operators. Regulation may go even further in comprehensiveness and detail, reaching a point at which private capital and initiative would no longer care to function in the railway business."

With consolidation so frequently under discussion, the author's outline of this subject is particularly interesting, and it is significant that after fairly stating the arguments for and against consolidations, he should say, "On the whole, the arguments against any general scheme of consolidation to be enforced at the present time, appear to be the stronger."

There is an excellent bibliography, so classified as to permit of ready expansion of the student's knowledge. These students as well as railroad men and the general public, should be grateful to the author for a well-planned treatise sufficiently comprehensive for all ordinary purposes, and which, when it comes to the expression of opinion is reasonable and sound.

DANIEL T. PIERCE.

Manpower in Industry. By E. S. Cowdrick. Henry Holt & Company, New York, 1924. 388 pages. \$3.25.

The author of "Manpower in Industry" states in the preface that his purpose is to present the underlying principles of human relationships in industry, together with the more important of the methods which have been used in dealing with the practical problems of personnel administration. He therefore begins by outlining the present need for intelligent handling of the human element and tracing hurriedly

the historical development of the labor movement from the days of feudalism to the present. He next summarizes the aims of labor, classifies the different type of labor organizations according to structure and to policies and lists the methods used by unions and by employers in dealing with each other. Chapters 8 to 11 inclusive describe modern employment methods such as the use of job specifications, interviewing the applicant, transfers, promotions, etc.

The author then turns to the larger phase of industrial relations—the administration of justice in industry. In this connection he describes “methods, independent of unionism or supplementary to it which have been proposed or tried or have become accepted parts of business management.” Under this heading come mediation and arbitration, employee representation and works councils, and union agreements for industrial peace.

Chapters 18 to 20 inclusive deal with the problems of the salaried worker or the “white collar man” and describe in more or less detail the methods of foreman training. After these subjects, the education of the employee is considered and is divided into two types of education, first training for the job, and secondly, education in general matters.

The rest of the book is devoted to the description of service work such as medical supervision, accident prevention, operation of workmen's compensation laws, recreation, housing, plant magazines, house organs, etc., to a summary of wage payment methods and to the place of the labor manager in industry.

This book should prove to be an especially useful guide to beginners in the field of industrial relations, whether the beginners be students of the labor problem or men in industry who wish to review what has been attempted in the effort to improve industrial relations. Of necessity the book would seem rather superficial to a person actively engaged in industrial relations work, although Chapter 18 “The Problem of the Salaried Em-

ployee” takes up a subject that has usually been ignored in works of this nature. The care with which the author has reviewed industrial relations activities and the completeness of the reading references make the book a worthwhile contribution to industrial literature.

H. GILBERT FRANCKE, *Service Manager,*
Pacific Mills.

Industrial Management. By Richard H. Lansburgh. John Wiley & Sons, New York, 1923. 488 pages. \$4.50.

Professor Lansburgh found it necessary to devote “several years” to the preparation of a book which would cover all phases of industrial management. Without doubt he had a difficult job forcing his material and ideas within the limits of the present rather bulky volume. This is significant of the immense strides being made in the technique and philosophy of business management. Twenty-five years ago such a survey as Professor Lansburgh's could have been quickly ended and briefly recorded. Twenty years hence no one mind may have the ability or the temerity to publish a like treatise. At that, Mr. Lansburgh confines himself to scientific management in factories. Department stores, insurance companies, banks, etc., must await another “encyclopaedist.”

“Industrial Management” deals successively with the rise of the management movement, plant organization, the “physical side of the plant” (location, layout, lighting, air conditioning, power); Standardization (of product, operations, nomenclature, etc.); job study, wage payment, personnel relations; controlling operations (budgeting, inventories, storeroom operation) purchasing, control of sales and production and ultimate management control through cost accounting. One feels the author at home in all of these fields if not through direct experience, at least by careful observation and check-up with those who are professionally engaged in them.

Possibly specialists could have written certain chapters more easily and authoritatively under Mr. Lansburgh's general

editorship. But we would have lost much in losing Mr. Lansburgh's own penetrating comments and suggestions.

The book is literally packed with information of value to business executives in many lines. It shows keen and varied observation, originality, power of analysis, and the style is careful, close-knit and lucid. One welcomes its freedom from the "lingo" of the business press. Mr. Lansburgh dignifies the business man's intelligence by refusing to believe he must address him only in go-getting, breath-taking phrases. Yet the atmosphere of every-day industry is evident throughout. The author acknowledges his indebtedness to the assistance of many business executives in the book's preparation.

Scientific management proceeds by simplification and systematization but the really scientific executive finds himself frequently engaged in making exceptions to rules, and disclosing practical disadvantages in systems which are theoretically sound. Mr. Lansburgh does a good job in pointing out the dangers of too much dependence on system. After describing the usefulness of regular reports from subordinates he says, "If a good executive finds reports accumulating on his desk which he does not look at week after week, he should recognize this as a danger signal. The reports in such a case are either inadequate, are being rendered too late for action, or should be discontinued entirely." He gives the pros and cons of organization charts in the light of business experience and remarks sagely—"Frequently, since the greatest ability of particular members cannot be adequately depicted, the chart seems out of balance and causes the whole organization to question it. It has been shown that leadership frequently is made effective through some person rather far down in the organization scale. Divisions or departments of the business may be built around the personal qualities and trouble-smoothing abilities of this person. And yet such abilities are not picturable."

Matters which are of fundamental importance to the success of a business and are unlikely to be found in an engineer's

or economist's description of management, are not overlooked in this book. Discussing small town locations for factories, Mr. Lansburgh remarks: "It is an important fact that the high-grade executives tend to locate near the larger cities. Social advantages for their wives, amusement and musical advantages and the absence of the golf club from many small country towns are all factors which make it difficult for the large plant to locate away from the big city. The \$10,000 man generally is not willing to spend most of his time in a place where he is not able to spend a substantial share of this sum on amusements or personal improvement of one kind or another."

The author has a knack for making pithy analyses which drive home his points. Of the profitable results of product standardization he says—"The benefits resulting from product standardization are many more than those represented by direct lessening of production cost. In addition to this there may be mentioned these: decrease in capital invested, lower labor cost, advance in the technique of production, improvement in equipment utilization and control, and possibility of speedy and reliable delivery. Together these insure consumer satisfaction because of prompt service at low prices, together with greater profits on the same investment for the manufacturer."

Some of the most troublesome of present day economic and social questions revolve about consumer's demand for diversity of product. The subject comes in for a neat, concise and valuable discussion. The author says—"Unnecessary diversity of product has resulted from two main causes. The first of these is the demand of the consumer for product that is individually different, either to meet peculiar service needs, or because of the style and taste factors. The second, and wholly remediable cause, is that sales methods have been frequently based largely on supplying diversity. Although it will be shortly seen that much can be done towards the education of the customer in convincing him that his service needs fall under cer-

tain well-defined headings which may be supplied by standard products, and although taste and style demands for diversity may be modified, the most fruitful immediate attack can usually be made by revising sales methods so that they will eliminate, rather than cause diversity." Speaking a few pages later of the style element in women's apparel and its effect in diversifying of product he remarks—"Despite the importance of novelty, taste, and style, much progress can be made in the standardization of texture of materials, as contrasted with design, and with the inner portions of the articles manufactured."

When Mr. Lansburgh took all industry as his field for treatment he undertook the risk of having executives in one or another managerial divisions complain of inadequate space allotment. The present reviewer for instance feels that whereas mnemonic classifications, the methods of taking time study, and storeroom operation are given their due space and thought, and perhaps a little more, the treatment of employment department and training department procedure is sketchy.

Mr. Lansburgh makes the statement—"In most plants which have developed employment departments, the employee must at least pass out of the plant through the employment office, in order that a record may be obtained of the reason for the severing of the connection. Some plants allow the department head only the power of discharge from his department. However, if the matter has gone so far that an executive of the organization has actually discharged a worker, it is usually impractical to arrange either that he take the worker back, or that he submit to his transfer to another department." Surely we will very soon, indeed I thought we had already passed this milestone of personnel development. If the discharge of an employee for whatever cause from a department by an executive (perhaps no higher in rank than foreman), means that that employee is almost certainly debarred from transfer to another department, then the Employment Department might as well ac-

knowledge defeat as far as its control of discharge is concerned. A singular omission in the employment section is any discussion of methods of computing labor turnover and its significance.

Who is the audience for such a book as *Industrial Management*? Its typographical makeup suggests the text book. In its scientific, cautious yet confident approach to management problems it is an admirable introduction to business for the mature and serious student, yet much detail could be well omitted as far as this purpose goes. Probably many executives will want to read what is said regarding their own division of management and skim the rest of the book. To factory heads and particularly to persons who are contemplating starting an industrial venture of their own, the book is almost essential.

Readers interested in the subject will find pages 182 to 184 an excellent discussion of the social effects and the effects on the individual worker of modern manufacturing methods with their emphasis on standardized product and specialized working tasks.

EDWIN S. SMITH,
Employment Manager,
Wm. Filene's Sons Company.

500 Answers to Sales Objections. By Ray Giles. Ronald Press, 1924. 74 pages. \$1.25.

Any Sales Manager may spend a pleasant and profitable hour with this booklet which contains only 74 pages and is full of good material.

Mr. Giles proved that he is a good salesman himself, but he might make an even better lawyer, as he shows a tendency throughout the book to state both sides of the case and make both of them equally strong. He gives favorable points for one product in one paragraph, and favorable points for a strictly competitive product in another paragraph. Most Sales Managers would rather see him stick to quality products selling on results, but it is worth while to see how a competitor selling on price would or could answer the objections to such a policy.

The only just criticism of this book is that it is a little too general and a little dangerous in the hands of some salesmen. Many salesmen would not know when and how to use the answers to objections suggested in this book and might get into trouble if they tried to use them.

Most Sales Managers will enjoy the chapters on Price and Profit, or at least the parts of these chapters in which Mr. Giles sticks to the quality side.

The chapter on "Put Off" is the best of all, and the short paragraph on Election Year is particularly appropriate right now.

You should read this book even if you are busier than usual.

WM. SAMPLE, *Vice-President,*
Ralston Purina Company.

The Kansas Court of Industrial Relations. National Industrial Conference Board, 1924. 103 pages. \$1.50.

The Conference Board's report on the Kansas Court of Industrial Relations indicates that Kansas has discovered what Alexander Pope preached and George Washington, among many others, recognized in practice, namely, that government is more a matter of men than of laws. From its origin to its present state of "constitutional infirmities" the Court has been squashed between human ambitions and human fears. "Because of the circumstances surrounding its creation" states the Board in the preface to the report, "the impression regarding its nature and potentialities left by it on the public may easily have been confused." Similarly, the circumstances surrounding its entire existence have added to this confused impression, particularly among those who expect absolute justice in industrial relations to emanate from courts of law.

In its conclusion the Conference Board points out, and supports its stand by a vigorous utterance from Judge Huggins, that one of the essential conditions necessary to the success of the Court is its complete removal from the influence of politics. Without discussing the identity

between "politics" and "government," it is immediately apparent that a governmental agency, the policies of which affect such large numbers of people as are concerned with industrial relations, has much less chance to be divorced from immediate political pressure than even the ordinary courts. Judge Huggins states that "because of the constant political influences brought to bear upon the Court of Industrial Relations, beginning early in the first year, it has never had a fair chance." If giving it a fair chance means removing such influences, then a person of Judge Huggins' political experience should be the first to recognize the futility of this objection.

Even greater difficulty, as is apparent throughout the Board's careful and exhaustive examination of the Court's history, lies in the fundamental conception of the Court's purposes. The truth is that industrial society in the United States is as yet vastly too intricate and mobile to be susceptible to just treatment via the mandamus and injunction. From a practical point of view there is of course the inconvenience of supplying jail accommodations for thousands or perhaps millions of people in order to enforce a court judgment.

All these things are recognized directly or otherwise in the Board's report, and its understanding of the situation is well portrayed by the statement made in connection with the experience of Canada, Australia and New Zealand that "the career of the Kansas Court of Industrial Relations forms one chapter in the history of these experiments."

The report is to be commended for its careful historical and descriptive approach to the subject, its critical analysis of the legal aspects of the Court and its review of the Court's actual history. An impartial point of view is maintained throughout the report.

MARTIN DODGE, *Manager,*
Industrial Bureau,
The Merchants' Association of New York.